

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 L-03 /036 W
-----100913 191509Z /50
R 191407Z AUG 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7452

UNCLAS SECTION 01 OF 02 LONDON 13871

E.O. 11652: N/A
TAGS: ELAB, UK
SUBJECT: DEPARTMENT OF LABOR INFORMATION REQUEST ON
ADVANCE NOTICE OF LAYOFFS.

REF: STATE 175050

1. THE FOLLOWING PARAGRAPHS DEAL IN TURN WITH THE EFFECTS OF THE REQUIREMENTS FOR ADVANCE CONSULTATION WITH UNIONS, AND ADVANCE NOTIFICATION TO GOVERNMENT. THIS IS BECAUSE THE EMPLOYMENT PROTECTION ACT LAYS THE MAIN RESPONSIBILITY FOR HANDLING REDUNDANCIES ON EMPLOYERS AND UNIONS THEMSELVES RATHER THAN ON GOVERNMENT. THE COSTS AND BENEFITS ARE NOT READILY QUANTIFIABLE BUT WE HOPE THE FOLLOWING INFORMATION WILL BE USEFUL.

2. THERE IS NO EVIDENCE TO SUGGEST THAT THE REDUNDANCY HANDLING REQUIREMENTS HAVE IN GENERAL HAD A DETRIMENTAL EFFECT ON EMPLOYERS. INDEED THE PROVISIONS SEEM TO HAVE RESULTED IN REDUNDANCIES TAKING PLACE MORE SMOOTHLY. THERE HAVE, HOWEVER, BEEN SOME REPORTS THAT EMPLOYERS ARE RELUCTANT TO TAKE ON STAFF UNTIL THEY ARE CONFIDENT THAT THEY WILL BE ABLE TO RETAIN THEM FOR AN APPRECIABLE TIME. THIS ATTITUDE OF COURSE CAN CREATE MORE STABLE EMPLOYMENT CONDITIONS WHICH SHOULD BE OF BENEFIT TO BOTH EMPLOYERS AND EMPLOYEES.

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3. CONSULTATION.
UNDER SECTION 101 OF THE 1975 ACT AN APPROPRIATE TRADE UNION MAY PRESENT A COMPLAINT TO AN INDUSTRIAL TRIBUNAL ON THE GROUNDS THAT AN EMPLOYER HAS DISMISSED AS REDUNDANT OR IS PROPOSING TO DISMISS AS REDUNDANT ONE OR MORE EMPLOYEES AND HAS NOT COMPLIED WITH ANY OF

THE CONSULTATION REQUIREMENTS OF SECTION 99.

AN INDUSTRIAL TRIBUNAL WILL NOT HEAR A COMPLAINT ABOUT AN EMPLOYER'S FAILURE TO CONSULT A TRADE UNION UNTIL A CONCILIATION OFFICER OF THE ADVISORY, CONCILIATION AND ARBITRATION SERVICE (ACAS) HAS HAD AN OPPORTUNITY TO CONSIDER WHETHER HE IS ABLE TO HELP THE PARTIES SETTLE THE MATTER. THE RELEVANT SECTIONS OF THE ACT CAME INTO OPERATION ON MARCH 8, 1976. FOR THE PERIOD SEPTEMBER 1976 TO JULY 1977 (INCLUSIVE), CONCILIATION OFFICERS RECEIVED A TOTAL OF SOME 280 APPLICATIONS UNDER S.99 (CONSULTATION ON REDUNDANCY). CONCILIATION IS AT PRESENT CONTINUING IN 84 OF THESE CASES.

DURING THIS PERIOD SOME 150 CASES HAVE BEEN THE SUBJECT OF TRIBUNAL HEARINGS UNDER S.99. APPROXIMATELY 50 PERCENT OF THESE CASES WERE UPHELD. IN APPROXI-

MATELY HALF OF THE CASES NOT UPHELD THE TRIBUNALS FOUND THAT THE APPLICANT UNIONS WERE NOT UNIONS RECOGNIZED BY THE RESPONDENTS WITHIN THE MEANING OF SECTION 99 OF THE 1975 ACT. IN ABOUT 10 PERCENT OF THE CASES NOT UPHELD THE TRIBUNALS FOUND THAT THE EMPLOYERS HAD SPECIAL CIRCUMSTANCES WHICH RENDERED IT NOT REASONABLY PRACTICABLE FOR THEM TO COMPLY WITH ANY OF THE REQUIREMENTS OF SECTION 99(3), (5) OR (7).

THE MAJORITY OF THE CASES BROUGHT UNDER S.99 CONCERN SMALL FIRMS AND SMALL NUMBERS OF EMPLOYEES. VOLUNTARY ARRANGEMENTS FOR ADVANCE CONSULTATION WERE UNCLASSIFIED

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USUALLY OBSERVED BY THE LARGER FIRMS IN THE PAST AND IT IS PERHAPS NOT SURPRISING THAT MOST OF THE IT CASES CONCERN SMALL REDUNDANCIES.

4. NOTIFICATION TO GOVERNMENT.

UNDER THE NOTIFICATION PROCEDURES, DE REDUNDANCY LIAISON OFFICERS (RLO'S) PASS TO THE EMPLOYMENT SERVICE AGENCY (ESA), AMONG OTHERS, COPIES OF EMPLOYERS' NOTIFICATION OF PROPOSED REDUNDANCIES, IMMEDIATELY UPON RECEIPT. AT THIS STAGE EMPLOYMENT OFFICE MANAGERS ARE ASKED NOT TO CONTACT THE FIRM CONCERNED, BUT TO WAIT FOR FURTHER NOTIFICATION. WHEN ALL QUESTIONS OF TRADE UNION NEGOTIATIONS, POSSIBLE APPLICATIONS FOR TEMPORARY EMPLOYMENT SUBSIDY OR OF INTERVENTION BY THE DEPARTMENT OF INDUSTRY HAVE BEEN RESOLVED, THE RLO IMMEDIATELY INFORMS ESA, WHO ARE THEN FREE TO CONTACT THE EMPLOYER CONCERNED TO SEEK ANY FURTHER INFORMATION THEY MAY NEED TO ASSIST IN THE REDEPLOYMENT OF THOSE WORKERS BEING MADE REDUNDANT; TO ARRANGE FOR JOB TEAMS TO INTERVIEW THE WORKERS AND TO ASSESS, IN THE LIGHT OF

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THE SKILLS AND EXPERIENCE OF THESE BECOMING AVAILABLE,
THE PROSPECTS OF THEIR RESETTLEMENT IN THE LABOR
MARKET.

THE NOTIFICATION PERIOD IS THEREFORE USED FIRSTLY
TO CONSIDER STEPS THAT MAY BE TAKEN TO AVOID OR MINIMIZE
THE REDUNDANCY, AND SECONDLY TO ENABLE THE MANPOWER
SERVICES TO TAKE ANY NECESSARY MEASURES FOR REDEPLOYING
OR RETAINING THE REDUNDANT EMPLOYEES. IN THE MAIN THE
NOTIFICATION PROVISIONS OF THE ACT HAVE GIVEN ESA
OFFICES MORE TIME AND SCOPE FOR PLANNING JOB TEAM OPERA-
TIONS, THE CANVASSING OF ADDITIONAL VACANCIES AND THE
EARLY PLANNING OF OTHER INITIATIVES. IT SHOULD BE RE-
MEMBERED, HOWEVER, THAT THERE ARE TWO KINDS OF RE-
DUNDANCY WHERE THEY CANNOT HELP AT ALL -- SOME CASES OF
BANKRUPTCY AND SOME WHERE EMPLOYERS DISCHARGE IM-
MEDIATELY, PAYING WAGES IN LIEU OF NOTICE.

IT IS NOT KNOWN WHETHER INDIVIDUAL WORKERS HAVE BEEN
ABLE TO OBTAIN NEW JOBS SOONER BECAUSE THEY HAVE HAD
ADVANCE NOTICE OF IMPENDING REDUNDANCY. THE PROVISION
IS THERE TO ASSIST THEM, BUT ONE IMPORTANT FACTOR IS
THE GENERAL STATE OF THE LABOR MARKET. THE NOTIFICA-
TION PROVISIONS OF THE ACT HAVE SO FAR ONLY BEEN
OPERATIVE IN A PERIOD OF RECESSION. THE ADVANCE NOTICE
WILL INEVITABLY BE OF GREATER VALUE WHEN THE LABOR
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MARKET IS MORE BUOYANT THAN IT IS AT THE MOMENT.
ALTHOUGH AS YET IT HAS NOT BEEN POSSIBLE TO QUANTIFY
THE ADVANTAGES OF THE NOTIFICATION REQUIREMENTS,THE
EMPLOYMENT SERVICE AGENCY HAS INDICATED THAT THEY HAVE
PROVED A USEFUL STARTING POINT FOR BETTER MANPOWER
INTELLIGENCE GENERALLY. MOREOVER, THE COVER OF SMALLER
REDUNDANCIES (10-99) HAS BEEN PARTICULARLY IMPROVED
WITH THE RESULT THAT WORKERS CAN BE REGISTERED FOR
ALTERNATIVE EMPLOYMENT OR RETRAINING EARLIER THAN IN THE
PAST. (EVEN BEFORE STATUTORY NOTICE WAS REQUIRED THERE
WAS A VOLUNTARY SYSTEM WHICH EFFECTIVELY PICKED UP THE
MAJORITY OF LARGER REDUNDANCIES, SOMETIME BEFORE THEY
WERE DUE TO TAKE EFFECT.)
IN GENERAL EMPLOYERS HAVE BEEN COOPERATIVE. WHERE
IT HAS NOT BEEN POSSIBLE TO GIVE THE FULL NOTICE THERE
HAVE OFTEN BEEN "SPECIAL CIRCUMSTANCES" WHICH RENDERED
IT "NOT REASONABLY PRACTICABLE" TO DO SO AS ENVISAGED
UNDER S.100(6) OF THE ACT.
THERE IS NO EVIDENCE THAT MAJOR COMPANIES HAVE RE-
SISTED GIVING THE REQUIRED NOTICE.

STREATOR

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 19-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
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